

Message Text

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44

ORIGIN EB-11

INFO OCT-01 IO-14 ISO-00 SSO-00 NSCE-00 INRE-00 USIE-00

AGR-20 CEA-02 CIAE-00 COME-00 DODE-00 FRB-02 H-03

INR-10 INT-08 L-03 LAB-06 NSAE-00 NSC-10 PA-04 RSC-01

AID-20 CIEP-02 SS-20 STR-08 TAR-02 TRSE-00 PRS-01

SPC-03 OMB-01 OIC-04 AF-10 ARA-16 EA-11 EUR-25 NEA-10

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DRAFTED BY EB/IFD/OMA:GPBALABANIS

APPROVED BY IO/CMD:JWMCDONALD, JR.

TREAS:TLEDDY

EB/IFD:SWEINTRAUB

IO/CMD:AYODER

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FM SECSTATE WASHDC

TO USMISSION USUN NEW YORK IMMEDIATE

UNCLAS STATE 234230

E.O. 11652:N/A

TAGS: UN, ECOSOC, EFIN

SUBJECT: SECOND COMMITTEE, ITEM 51 - UNCTAD DRAFT

RESOLUTION

REF: USUN 5101, USUN 5145, USUN 5172

1. U.S. POSITION ON UN DRAFT MONETARY REFORM RESOLUTION

AS REPORTED REFTELS IS AS FOLLOWS: (1) WE WILL NOT
REQUEST A VOTE, BUT WILL ACQUIESCE IN ITS PASSAGE BY
CONSENSUS, WITH A STATEMENT; (2) WE WILL ABSTAIN IF
RESOLUTION COMES TO VOTE.

2. FOLLOWING IS A STATEMENT FOR USE IN EITHER CASE

(CHOOSE APPROPRIATE BRACKETED ALTERNATIVES):

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BEGIN TEXT:

THE UNITED STATES (DID NOT REQUEST A VOTE ON THIS RESOLUTION, BUT HAS ACQUIESCED IN ITS PASSAGE BY CONSENSUS. IF THE RESOLUTION HAD COME TO VOTE WE WOULD HAVE ABSTAINED) (IS ABSTAINING ON THIS RESOLUTION). WE TAKE THE POSITION THAT THE INTERNATIONAL MONETARY FUND, INCLUDING IN PARTICULAR ITS COMMITTEE ON REFORM OF THE INTERNATIONAL MONETARY SYSTEM AND RELATED ISSUES (KNOWN AS THE COMMITTEE OF TWENTY), IS THE ONLY PROPER FORUM FOR ANY AGREEMENT RELATING TO THE SUBSTANCE OF MONETARY REFORM ISSUES, OR ANY OTHER MATTERS RELATING TO THE STRUCTURE OR OPERATIONS OF THE INTERNATIONAL MONETARY FUND. (THE FULL RESPONSIBILITY OF THE COMMITTEE OF TWENTY FOR INTERNATIONAL MONETARY REFORM IS, INDEED, NOTED IN THE RESOLUTION ITSELF.) THEREFORE, OUR DECISION (TO ACQUIESCE TO THE PASSAGE OF THIS RESOLUTION BY CONSENSUS) (NOT TO VOTE AGAINST THIS RESOLUTION) CANNOT BE INTERPRETED AS REPRESENTING A UNITED STATES POSITION ON ANY SUBSTANTIVE ISSUE OF MONETARY REFORM. WE WISH TO EMPHASIZE, IN ADDITION, THAT THIS DECISION MUST NOT BE INTERPRETED TO MEAN THAT WE TAKE AN UNFAVORABLE OR PESSIMISTIC VIEW OF THE WORK OF THE COMMITTEE OF TWENTY. INDEED, WE CONSIDER THAT THE COMMITTEE OF TWENTY HAS MADE SUBSTANTIAL PROGRESS, AND WE HAVE EVERY CONFIDENCE THAT ITS WORK WILL BE CARRIED FORWARD TO A SUCCESSFUL CONCLUSION.

NEVERTHELESS, THE UNITED STATES (IS ACQUIESCING TO THE PASSAGE OF THIS RESOLUTION BY CONSENSUS) (IS NOT VOTING AGAINST THIS RESOLUTION) BECAUSE WE FIND OURSELVES IN SYMPATHY WITH THE MAIN THRUST OF MANY, ALTHOUGH NOT ALL, OF ITS RECOMMENDATIONS. FOR EXAMPLE, WE WELCOME THE INTENTION OF THE COMMITTEE OF TWENTY TO REACH AGREEMENT ON THE ISSUES OF REFORM BY JULY 31, 1974; WE HOPE THAT IT WILL SOME DAY BE POSSIBLE FOR ALL COUNTRIES TO JOIN IN THE REFORMED INTERNATIONAL MONETARY SYSTEM NOW BEING DESIGNED; WE WELCOME THE FULL AND EFFECTIVE PARTICIPATION OF ALL IMF MEMBER COUNTRIES, INCLUDING THE DEVELOPING COUNTRIES, IN THE REFORM NEGOTIATIONS; WE AGREE THAT THE REFORM SHOULD TAKE INTO ACCOUNT THE UNCLASSIFIED

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INTERESTS, AND THE VARYING STRUCTURAL CHARACTERISTICS, OF ALL COUNTRIES, DEVELOPED AND DEVELOPING ALIKE; WE ENDORSE THE CURRENT EXAMINATION OF PRESENT OR POTENTIAL IMF FACILITIES OF SPECIAL INTEREST TO THE DEVELOPING COUNTRIES; WE AGREE THAT FUTURE ALLOCATIONS OF SPECIAL DRAWING RIGHTS MUST BE DETERMINED ON THE BASIS OF GLOBAL LIQUIDITY NEEDS; WE SHARE THE GENERAL VIEW NOTED IN THE FIRST OUTLINE OF REFORM THAT DEVELOPING COUNTRIES OUGHT

TO BE EXEMPTED, WHEREVER POSSIBLE, FROM CONTROLS ON
CAPITAL OR IMPORTS IMPOSED FOR BALANCE-OF-PAYMENTS
REASONS - AND INDEED, HAVE APPLIED THIS PRINCIPLE AS FAR
AS POSSIBLE IN OUR OWN CAPITAL CONTROL PROGRAMS; WE AGREE
THAT THE REFORM OF THE INTERNATIONAL MONETARY SYSTEM
SHOULD PROMOTE THE FLOW OF REAL RESOURCES TO THE LDC'S,
AND ARE PARTICIPATING IN THE COMMITTEE OF TWENTY
TECHNICAL GROUP ESTABLISHED TO EXAMINE SPECIFIC PROPOSALS
IN THIS REGARD.

IN VIEW OF THESE CONSIDERATIONS, BUT BEARING IN MIND
THE EXCLUSIVE RESPONSIBILITY OF THE INTERNATIONAL
MONETARY FUND AND ITS COMMITTEE OF TWENTY IN THESE

MATTERS, THE UNITED STATES HAS CHOSEN (TO ACQUIESCE TO
THE PASSAGE OF THIS RESOLUTION BY CONSENSUS) (TO
ABSTAIN ON THIS RESOLUTION). KISSINGER

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMITTEE MEETINGS, UNGA RESOLUTIONS, FINANCIAL REFORMS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 NOV 1973
Decapton Date: 01 JAN 1960
Decapton Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE234230
Document Source: CORE
Document Unique ID: 00
Drafter: GPBALABANIS
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973115/aaaaadbh.tel
Line Count: 132
Locator: TEXT ON-LINE
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: USUN 5101, USUN 5145, USUN 5172
Review Action: RELEASED, APPROVED
Review Authority: worrelsw
Review Comment: n/a
Review Content Flags:
Review Date: 29 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29-Aug-2001 by maustmc>; APPROVED <15 MAR 2002 by worrelsw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SECOND COMMITTEE, ITEM 51 - UNCTAD DRAFT RESOLUTION
TAGS: EFIN, UN, ECOSOC
To: USUN NEW YORK
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005